Official Confirms GOP Quiz Blocked

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SAN DIEGO, Calif., March 21—A deputy district attorney of San Diego County confirmed today a report that U.S. Atty. Harry Steward quashed an investigation into illegal campaign contributions involving multi-millionare Republican Charles Arnholt Smith.

Richard Huffman said that two years ago he and two other investigators had sought to subpoena Frank Thornton, a longtime lieutenant of Smith's, before a federal grand jury in connection with allegations that Smith had arranged for a $2,068 contribution to the Nixon campaign, disguised as a business expense.

Huffman said he was in the room with the other two investigators when Steward told them that Thornton was a friend of his and was responsible for getting Steward his job as U.S. attorney. Huffman said Steward then said he would personally talk to Thornton. A few days later Huffman said, Steward told him he was satisfied that the transaction was legal and he would not permit Thornton to be subpoenaed by the grand jury.

Huffman said that after that the investigation petered out.

RICHARD HUFFMAN
. . . accuses prosecutor

Present at the conversation along with Huffman and Steward were A. David Stutz, then an investigator for the Internal Revenue Service, and Michael DeFeo, a member of the Justice Deparment's strike force, now in Kansas City.

Steward, who is still U.S. attorney, denied the charge.

Stutz, commenting for the first time on the disclosures, said, "Those facts set forth relating to my personal involve-

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GOP Gift Probe Quashed in Calif.

HUFFMAN, From A1

ment with the United States attorney are true. I gave a sworn affidavit to the FBI regarding the incident which became a part of a larger investigation."

Stutz would not talk about the investigation itself because, as he said, he is "still subject to the federal disclosure statutes which regulated my action at that time." Stutz said that he was told a year ago he was being transferred to Los Angeles because he was "a disruptive influence. Since all aspects of my investigation in San Diego were with the approval of my agency I do not know the rule or reason for that decision or at what level it was made," Stutz said.

Life magazine in making the charges earlier this week, said that Charles Pratt, then owner of the Yellow Cab Co. of San Diego, had made the $2,068 contribution on the urging of Smith, who said it would be camouflaged as a business expense.

The money was donated to a San Diego firm called Barnes Champ Advertising, of which Thornton is an executive. The money was listed as payment for a wage and hour study, according to Life.

Thornton this week denied the money was ever used for campaign purposes. He said it was returned.

Steward also denied the allegations against him. He said similar accusations had been made against him a year ago by an underground newspaper in San Diego, and that the charges had been thoroughly investigated. In February, 1971, the Asst. Atty Gen. Richard Kleindist announced in Washington that Steward would continue in office with the full confidence of the attorney general.

Said Steward: "I have been authorized to state that this is still the Justice Department's position."

Huffman, who was a deputy attorney general for the state on loan to the U.S. attorney's office when the incident occurred two years ago, gave this account:

"We started a special grand jury looking into organized crime and suspicions that Yellow Cab was involved in interstate transportation of money in aid of bribery." (Yellow Cab bribery charges led eventually to prosecution of San Diego's former mayor and several city officials; most of the defendants were acquitted.)

"At a particular point it became apparent we wanted to talk with Thornton with regard to those matters now outlined in the Life article . . .

"We issued a subpoena but weren't able to serve it because he was out. We had not consulted Steward about the subpoena at that time, but in an earlier conversation he had told us that he was a friend of Thornton and that Thornton had some responsibility for getting him the U.S. attorney's position."

Another version of that conversation, printed in Life, held that Steward also said Thornton and Smith would make him a federal judge. Huffman said he did not remember hearing Steward say that.

"When we talked with Steward later that afternoon (after not finding Thornton) he advised us he would talk with Thornton himself and find out what his story was. Then, he spoke to me several times by phone later—something about the money not being used in the campaign. It was my view that Thornton should testify but Harry didn't think it was necessary, and that's where it ended."

Months later—around September, 1970, Huffman said, Pratt admitted in an interview with him, Stutz and Defoe that he had been pressed by Smith to make the contribution and had been told it would be reflected as a business expense, thereby making it tax deductible.